



# NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

FOR IMMEDIATE RELEASE:  
November 10, 2005

CONTACT:  
Nikki Paschal 916-653-3485 (Angelides' Office)  
Kyra Jennings 202-225-3072 (Lofgren's Office)

## **CALIFORNIA STATE TREASURER PHIL ANGELIDES, CALIFORNIA DEMOCRATIC CONGRESSIONAL CHAIR ZOE LOFGREN ASSAIL HOUSE REPUBLICAN BUDGET CUTS THAT HURT CALIFORNIA KIDS AND WORKING FAMILIES**

### ***Spending Cuts To Child Support Services Will Cost California Children, State Coffers \$8 Billion Over Next Decade***

SACRAMENTO, CA – California State Treasurer Phil Angelides and California Democratic Congressional Delegation Chair Zoe Lofgren today denounced a budget bill put together by the House Republican majority that would slash federal funding for state child support enforcement and services in California.

The reconciliation bill, scheduled for a floor vote today, would cut federal child support funding by 40 percent by 2010, and a total of \$15.9 billion over the next ten years, according to the Congressional Budget Office (CBO). California would take the biggest hit -- \$3.2 billion at a time when the State faces a \$6 billion deficit for the coming year and an ongoing structural budget gap. In addition, the CBO projects that cutting federal funding for child support enforcement will result in a \$24.1 billion reduction in collections for children in single-parent families. That will amount to a loss of \$4.9 billion of support for California children and lead to more families being forced to rely on public assistance.

"Instead of fixing the budget mess they've created, House Republicans are dumping their budget problems on California - hurting children, working families, and California taxpayers while proposing new tax cuts for the wealthy," said Treasurer Angelides.

"This Republican-controlled Congress has made it a priority at every turn to promote policies that hurt working families and the needy," said Rep. Lofgren. "Cuts in child support funding take away even more from California families already shortchanged by federal spending. Sadly, instead of acting as a 'Collectinator' and fighting against these cuts, Governor Schwarzenegger has been distracted, campaigning for his failed special election."

The child support program enforces parents' personal responsibility to support their children. It helps custodial parents establish paternity, find absent parents, obtain child-support orders, and collect child-support awards. It is one of government's most cost-effective services, saving taxpayers billions of dollars that would otherwise be spent on public assistance for families with children.

Nationally, states collected \$21.9 billion in child support payments in 2004, \$4.38 for every public dollar spent. California will collect an estimated \$2.4 billion in child support payments in the current fiscal year, \$360 million of which will go to the State and counties to offset public assistance costs that would otherwise be borne by taxpayers.

In addition to the spending cuts to child support services, the House Republicans' reconciliation bill also reduces funding for student loans, Medicaid, food stamps and child care assistance. These spending cuts will help finance the \$106 billion of tax cuts - \$70 billion protected under this reconciliation bill - included in this year's Republican budget resolution. Among the tax cuts Republicans are proposing is an extension of the cuts on capital gains and dividends, with more than half of this benefit going to households with incomes over \$1 million a year.

# # #